

**COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)**

(Incorporated in Malaysia)

Financial Year End : 30 June 2017  
 Quarter : Second Quarter

Quarterly report on results for the 2nd quarter ended 30 June 2017. These figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Year Quarter 30.06.2017</u> RM'000	<u>Preceding Year Quarter 30.06.2016</u> RM'000	<u>Current Year To Date 30.06.2017</u> RM'000	<u>Preceding Year To Date 30.06.2016</u> RM'000
Revenue	63,412	67,360	127,146	129,891
Cost Of Sales	(45,343)	(48,524)	(89,269)	(93,820)
<b>Gross Profit</b>	<b>18,069</b>	<b>18,836</b>	<b>37,877</b>	<b>36,071</b>
Other Income	719	3,174	3,051	5,191
Distribution Costs	(3,252)	(3,728)	(7,372)	(7,724)
Administrative Expenses	(5,285)	(4,722)	(11,296)	(9,650)
Finance Costs	-	-	-	-
<b>Profit Before Taxation</b>	<b>10,251</b>	<b>13,560</b>	<b>22,260</b>	<b>23,888</b>
Taxation	(2,958)	(2,755)	(5,979)	(5,215)
<b>Profit After Taxation</b>	<b>7,293</b>	<b>10,805</b>	<b>16,281</b>	<b>18,673</b>
<b>Other Comprehensive Income</b> <i>Items that are or may be reclassified subsequently to profit or loss</i>				
- Exchange Translation Differences For Foreign Operations	(26)	128	(24)	134
<b>Other Comprehensive Income For The Period</b>	<b>(26)</b>	<b>128</b>	<b>(24)</b>	<b>134</b>
<b>Total Comprehensive Income For The Period</b>	<b>7,267</b>	<b>10,933</b>	<b>16,257</b>	<b>18,807</b>
Profit For The Period Attributable To: Owners Of The Company	7,293	10,805	16,281	18,673
Total Comprehensive Income Attributable To: Owners Of The Company	7,267	10,933	16,257	18,807
<b>Earnings Per Share</b> Basic And Diluted Earnings Per Share (Sen)	3.19	4.72	7.12	8.16

Notes :

The Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

**COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS OF 30 JUNE 2017**

(These figures have not been audited)

	<b>As At End Of Current Quarter (Unaudited) 30.6.2017 RM'000</b>	<b>As At End of Financial Year (Audited) 31.12.2016 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant And Equipment	116,968	119,580
Other Investments	1	1
	<u>116,969</u>	<u>119,581</u>
<b>Current Assets</b>		
Inventories	41,545	44,557
Trade Receivables	41,994	55,580
Tax Recoverable	142	202
Other Receivables, Deposits & Prepayments	3,524	3,798
Fixed Deposits With Licensed Bank	48,499	49,051
Short Term Deposits	4,568	2,791
Cash & Bank Balances	11,491	13,602
	<u>151,763</u>	<u>169,581</u>
<b>TOTAL ASSETS</b>	<u>268,732</u>	<u>289,162</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Owners Of The Company</b>		
Share Capital	130,154	114,400
Share Premium	-	15,754
Revenue Reserves	102,501	109,100
Exchange Translation Reserves	224	248
Total Equity	<u>232,879</u>	<u>239,502</u>
<b>Non-Current Liability</b>		
Deferred Tax Liability	8,453	8,540
	<u>8,453</u>	<u>8,540</u>
<b>Current Liabilities</b>		
Trade Payables	15,700	28,947
Other Payables & Accruals	7,964	9,111
Tax Payable	3,736	3,062
	<u>27,400</u>	<u>41,120</u>
<b>TOTAL LIABILITIES</b>	<u>35,853</u>	<u>49,660</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>268,732</u>	<u>289,162</u>
Net Assets Per Share (RM) Attributable to Owners of the Compar	1.02	1.05

**COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<---Non Distributable--->			<--Distributable-->	
	Share Capital	Share Premium	Exchange Translation Reserve	Retained Earnings	Total
<b>6 months ended 30 June 2016</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 1 January 2016</b>	<b>114,400</b>	<b>15,754</b>	<b>506</b>	<b>72,019</b>	<b>202,679</b>
Foreign currency translation differences	-	-	134	-	134
Total comprehensive income	-	-	-	18,673	18,673
Interim single-tier dividend of 6% paid on 5 April 2016	-	-	-	(6,864)	(6,864)
<b>As at 30 June 2016</b>	<b>114,400</b>	<b>15,754</b>	<b>640</b>	<b>83,828</b>	<b>214,622</b>
<b>6 months ended 30 June 2017</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 1 January 2017</b>	<b>114,400</b>	<b>15,754</b>	<b>248</b>	<b>109,100</b>	<b>239,502</b>
Foreign currency translation differences	-	-	(24)	-	(24)
Total comprehensive income	-	-	-	16,281	16,281
Interim single-tier dividend of 20% paid on 6 April 2017	-	-	-	(22,880)	(22,880)
Transition to no par value regime <sup>(1)</sup>	<b>15,754</b>	<b>(15,754)</b>	-	-	-
<b>As at 30 June 2017</b>	<b>130,154</b>	<b>-</b>	<b>224</b>	<b>102,501</b>	<b>232,879</b>

**Note**

<sup>(1)</sup> Effective from 31 January 2017, the new Companies Act 2016 abolished the concept of authorised share capital and par value of share capital. Consequently, the balance of share premium account is credited to share capital pursuant to the provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

**COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE 6 MONTHS ENDED 30 JUNE 2017  
(These figures have not been audited)**

	<b>Cumulative Current Year To Date 30.06.2017 RM'000</b>	<b>Cumulative Preceding Year To Date 30.06.2016 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit Before Taxation	22,260	23,888
Adjustments for:-		
Reversal of write-down of inventory	(283)	(41)
Write-down of inventory	26	-
Reversal of impairment loss on trade receivables	(260)	(1,785)
Impairment loss on trade receivables	33	-
Bad debt written off	111	-
Depreciation of property, plant and equipment	5,398	5,208
Unrealised gain on foreign exchange	(261)	128
Gain on disposal of property, plant & equipment	(54)	(56)
Property, plant and equipment written off	3	-
Interest income	(978)	(508)
Operating profit before working capital changes	<u>25,995</u>	<u>26,834</u>
Changes in working capital:		
Decrease / (Increase) in inventories	<u>3,269</u>	<u>(2,531)</u>
Decrease / (Increase) in receivables	<u>13,976</u>	<u>(3,330)</u>
(Decrease) / Increase in payables	<u>(14,394)</u>	<u>702</u>
	2,851	(5,159)
Cash generated from operations	<u>28,846</u>	<u>21,675</u>
Interest received	<u>978</u>	<u>508</u>
Tax refund	<u>114</u>	<u>68</u>
Tax paid	<u>(5,477)</u>	<u>(4,186)</u>
Dividend paid	<u>(22,880)</u>	<u>(6,864)</u>
	(27,265)	(10,474)
<b>Net Cash Generated From Operating Activities</b>	<u><b>1,581</b></u>	<u><b>11,201</b></u>
<b>Cash Flow From Investing Activities</b>		
Purchase of property, plant and equipment	(2,791)	(1,799)
Proceed from disposal of property, plant and equipment	56	56
<b>Net Cash Used In Investing Activities</b>	<u><b>(2,735)</b></u>	<u><b>(1,743)</b></u>
<b>Net Cash Generated From / (Used In) Financing Activities</b>	<u><b>-</b></u>	<u><b>-</b></u>
Net Increase / (Decrease) in Cash And Cash Equivalents	(1,154)	9,458
Effect of Exchange Translation Differences on Cash and Cash Equivalents	269	157
Cash And Cash Equivalents At Beginning Of The Period	65,443	40,421
<b>Cash And Cash Equivalents At End Of The Period *</b>	<u><b>64,558</b></u>	<u><b>50,036</b></u>
<b>* Cash &amp; cash equivalents consists of:</b>		
Fixed deposits with licensed banks	48,499	209
Short term deposits with licensed banks	4,568	39,195
Cash and bank balances	11,491	10,632
	<u>64,558</u>	<u>50,036</u>

**Part A: Explanatory Notes In Compliance With Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting in Malaysia**

**A1. Accounting Policies and Basis Of Preparation**

These condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting in Malaysia issued by the Malaysian Accounting Standards Board and with paragraph 9.22 and Appendix 9B of the of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial statements should be read in conjunction with the Group’s audited financial statements for year ended 31 December 2016.

The audited financial statements of the Group for the year ended 31 December 2016 were prepared in accordance with MFRS.

There are no new MFRSs or interpretations that are effective for the first time in this quarter that would be expected to have a material effect of the Group.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2016.

**A2. Qualification of Financial Statements**

The audited report of the preceding annual financial statements was not subjected to any qualification.

**A3. Seasonal or Cyclical Factors**

The Group’s business operation results during the current quarter under review were not materially affected by any seasonal or cyclical factors.

**A4. Nature and Amount of Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

**A5. Nature and Amount of Changes in Estimates**

There were no changes in the estimates of amounts reported that have a material effect in the current quarter.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2017**A6. Dividend Paid****For the financial period ended 30 June 2017**

- (i) The first interim single-tier dividend of 20% or 10.00 sen per ordinary share, on 228,800,000 ordinary shares, amounting to RM22.880 million in respect of the financial year ended 31 December 2016, was paid on 6 April 2017.

**For the financial period ended 30 June 2016**

- (ii) The third interim single-tier dividend of 6.0% or 3.00 sen per ordinary share, on 228,800,000 ordinary shares, amounting to RM6.864 million in respect of the financial year ended 31 December 2015, was paid on 5 April 2016.

**A7. Debt and Equity Securities**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current financial quarter.

**A8. Segmental Reporting**

Group – by business segment :-

The Group's segmental report for the current financial period ended 30 June 2017 is as below:-

	<b>Manufacturing</b>	<b>Trading</b>	<b>Investment Holding</b>	<b>Elimination</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Results for the individual 2<sup>nd</sup> quarter ended 30 June 2017</u></b>					
Revenue:					
External	21,164	42,248	-	-	63,412
Inter-segment	27,118	249	-	(27,367)	-
Total revenue	<u>48,282</u>	<u>42,497</u>	<u>-</u>		<u>63,412</u>
Profit before tax	<u>1,896</u>	<u>8,501</u>	<u>(194)</u>	<u>48</u>	<u>10,251</u>

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2017

	<b>Manufacturing</b>	<b>Trading</b>	<b>Investment Holding</b>	<b>Elimination</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Results for the cumulative 2<sup>nd</sup> quarter ended 30 June 2017</u></b>					
Revenue:					
External	42,205	84,941	-	-	127,146
Inter-segment	52,977	558	20,000	(73,535)	-
Total revenue	<u>95,182</u>	<u>85,499</u>	<u>20,000</u>		<u>127,146</u>
Profit before tax	<u>3,241</u>	<u>19,290</u>	<u>19,617</u>	<u>(19,888)</u>	<u>22,260</u>

**Results for the individual 2<sup>nd</sup> quarter ended 30 June 2016**

Revenue:					
External	24,945	42,415	-	-	67,360
Inter-segment	30,091	986	-	(31,077)	-
Total revenue	<u>55,036</u>	<u>43,401</u>	<u>-</u>		<u>67,360</u>
Profit before tax	<u>4,197</u>	<u>9,843</u>	<u>(191)</u>	<u>(289)</u>	<u>13,560</u>

**Results for the cumulative 2<sup>nd</sup> quarter ended 30 June 2016**

Revenue:					
External	45,246	84,645	-	-	129,891
Inter-segment	57,337	1,735	10,000	(69,072)	-
Total revenue	<u>102,583</u>	<u>86,380</u>	<u>10,000</u>		<u>129,891</u>
Profit before tax	<u>7,247</u>	<u>17,184</u>	<u>9,638</u>	<u>(10,181)</u>	<u>23,888</u>

**Assets and liabilities as at 30 June 2017**

Segment assets	<u>196,409</u>	<u>144,656</u>	<u>176,922</u>	<u>(249,255)</u>	<u>268,732</u>
Segment liabilities	<u>170,919</u>	<u>35,635</u>	<u>38,226</u>	<u>(208,927)</u>	<u>35,853</u>

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2017Group – by geographical segments

In preparing information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment non-current assets are based on geographical location of the assets.

	<b>Revenue</b>		<b>Non-current assets</b>	
	for the period ended		as at	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	RM'000	RM'000	RM'000	RM'000
Malaysia	58,752	61,268	116,934	126,198
Eastern Asia	33,264	32,081	27	33
South East Asia	19,285	18,016	8	4
Middle East	13,199	15,063	-	-
Others	2,646	3,463	-	-
	<u>127,146</u>	<u>129,891</u>	<u>116,969</u>	<u>126,235</u>

**A9. Valuations of Property, Plant and Equipment**

The property, plant and equipment except for freehold land are stated at cost/valuation less accumulated depreciation and impairment losses. There was no revaluation of property, plant and equipment for the current quarter and financial year to date.

The valuation of property, plant and equipment of the Group have been brought forward without amendment from the financial statements for the year ended 31 December 2016.

**A10. Subsequent Material Events**

There were no material events subsequent to the reporting period up to 22 August 2017 (latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) which have not been reflected in the financial statement for the quarter under review.

**A11. Changes in the Composition of the Group**

There were no material changes in the composition of the Group for the current financial quarter under review.



**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2017**A12. Contingent Liabilities or Contingent Assets**

There were no changes in other contingent liabilities or contingent assets since the last annual statement of financial position as at 31 December 2016.

**A13. Capital Commitments**

The outstanding amount of capital commitments as at 30 June 2017 are as follows:-

	<b>RM'000</b>
Property, plant and equipment :- - Approved and contracted for	<b>1,584</b>

**A14. Significant Related Party Transactions**

The Group has the following significant transactions with the related parties during the periods:-

	<b>Current Year Quarter RM'000</b>	<b>Preceding Year Quarter RM'000</b>
Prepare, package, pack and deliver Fraser and Neave Limited group of companies' products :- - Sales - Purchase of ingredients*	<b>4,453 1,768</b>	<b>5,457 1,740</b>

*\* The purchase of ingredients are exclusively used for the preparing of the Fraser and Neave Limited group of companies products.*

The above transactions had been entered into in the ordinary course of business on normal commercial terms with Fraser and Neave Limited group of companies. These transactions are within the ambit of the mandate approved by the shareholders of the Company on 30 May 2017.

## COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)

Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2017

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### Part B: Additional Explanatory Notes In Compliance With Listing Requirements Of The Bursa Malaysia Securities Berhad

#### B1. Review of Performance

For the first 6 months of year 2017 under review, the Group registered lower revenue of RM 127.1 million, a decrease of RM 2.7 million as compared to RM 129.8 million in the preceding year's corresponding period.

The Group recorded profit before tax of RM22.2 million for the first 6 months ended 30 June 2017 was 6.7% lower than the last year of RM 23.8 million. This was mainly attributable to decline in demand for beverage products of Contract Manufacturing Business. However, the increase in demand for gummy products has partially offset the Group's declining revenue. Lower profit before tax were mainly due to higher foreign currencies exchange loss and impairment on trade receivables.

The performance of the major operating business segments of the Group is summarized as follows :-

##### Manufacturing segment

Revenue of manufacturing segment declined which was principally due to lower demand from its Contract Manufacturing Business of beverage products. Lower profit before tax as compared to the preceding year's corresponding quarter were mainly attributable to increased material and labour costs.

##### Trading segment

Trading segment's sales growth was mainly attributable to higher overseas demand of gummy products especially from China and South Korea. Improved profit before tax were predominantly contributed by higher profit margin sales mix and fixed deposit interest earned.

#### B2. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter RM'000	Immediate Preceding Quarter RM'000	Difference %
Revenue	63,412	63,734	-0.51%
Profit before taxation	10,251	12,009	-14.6%

The Group recorded lower revenue of RM63.4 million for the current quarter, a decline of 0.51% over the immediate preceding quarter was principally attributable to marginally declining consumers' demand of gummy products. Lower profit before tax of the current quarter as compared to the immediate preceding quarter were due to increased material cost and foreign currencies exchange loss.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2017**B3. Commentary On Prospects**

The rise of inflation rate in early year of 2017 had debilitated local customers' purchasing power, local consumers are becoming more cautious with their expenditure.

Despite the recovery of Malaysian ringgit against US Dollar, the Group is of the view that the remaining quarters are expected to be more challenging.

Nevertheless, the Group would strive to remain competitive through improving operational efficiency and exploring new markets.

**B4. Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast or profit estimate previously in any public document.

**B5. Income Tax**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u> RM'000	<u>Preceding Year Quarter</u> RM'000	<u>Current Year To Date</u> RM'000	<u>Preceding Year To Date</u> RM'000
<b>Income tax:</b>				
• Current period estimate	2,983	3,135	6,066	5,642
• Prior year	-	-	-	-
<b>Deferred taxation:</b>				
• Transferred to/(from) deferred taxation	(25)	(380)	(87)	(427)
	<u>2,958</u>	<u>2,755</u>	<u>5,979</u>	<u>5,215</u>

**B6. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 22 August 2017 which is not earlier than 7 days form the date of issue of this quarterly report.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2017**B7. Group Borrowings**

The Group's borrowings (all denominated in Ringgit Malaysia) as at the end of the reporting quarter are as follows:-

	<b>As At 31.6.2017 RM'000</b>	<b>As At 31.6.2016 RM'000</b>
<b>TOTAL BORROWING</b>	-	-

**B8. Material Litigation**

There was no material litigation at the date of this quarterly report.

**B9. Dividend Payable**

No interim dividend has been declared for the current quarter under review (30 June 2016: nil).

**B10. Earnings per share**

The earnings per share for the quarter and cumulative year to date are computed as follows:-

	<b><u>Individual Quarter</u></b>		<b><u>Cumulative Quarter</u></b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Quarter</b>	<b>Current Year To Date</b>	<b>Preceding Year To Date</b>
Profit for the period (RM'000)	7,293	10,805	16,281	18,673
Weighted average number of ordinary shares of RM0.50 each ('000)	228,800	228,800	228,800	228,800
Basic earnings per share (sen)	3.19	4.72	7.12	8.16
Diluted earnings per share (sen) *	N.A.	N.A.	N.A	N.A

\* *The Group has no potential ordinary shares in issue, therefore diluted earnings per share has not been presented.*

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 2<sup>nd</sup> Quarter Ended 30 June 2017**B11. Supplementary Information on the breakdown of realised and unrealised profits or losses**

The following analysis of realized and unrealized retained profits is prepared pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No.1 – Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	As at 30.6.2017 RM'000	As at 31.12 2016 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	140,306	148,048
- Unrealised	(8,714)	(9,745)
Less: Consolidation adjustments	(29,091)	(29,203)
<b>Retained profit as per financial statements</b>	<b>102,501</b>	<b>109,100</b>

**B12. Profit before tax is stated after charging/(crediting) :-**

	<b>Current Year Quarter RM'000</b>	<b>Preceding Year Quarter RM'000</b>
Interest income	(443)	(246)
Depreciation of property, plant and equipment	2,729	2,639
(Gain)/loss on disposal of property, plant and equipment	(53)	(56)
Impairment loss on trade receivables	33	-
Reversal of impairment loss on trade receivables	-	(1,482)
Loss/(gain) on foreign exchange		
- realized	420	(261)
- unrealized	123	676

By Order Of The Board

**Tai Chun Wah**

Executive Director

Dated: 28 August 2017